



STATE OF WASHINGTON

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To the Honorable Speaker and Members,
The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning, without my approval as to Sections 4, 5 and 6, House Bill No. 1439 entitled:

"AN ACT Relating to electronic and web-based bidding."

The Department of General Administration (Department) generally awards contracts through a competitive, formal, sealed bid process. Under House Bill No. 1439 the Department would be allowed to receive bids electronically or through the web. This is a step in the right direction. I support changes that will make the existing, complicated procurement process easier to manage and use.

However, Sections 4, 5, and 6 of the bill restrict cancellation of the bidding process and re-bidding on public works, personal service, and information technology related contracts. This bill takes cancellation language related to purchased goods and services contract bidding procedures and tries to apply it to other types of contracts, like public works contracts. Yet, there are significant differences between these contracting procedures. While the sealed bid process for purchased goods and services contracts focuses primarily on price, public works and personal service contracts address several factors including price, ability to do the work, vendor qualifications, and prior vendor experience. I am therefore concerned about the impact of Sections 4, 5 and 6.

I do not look favorably on agencies irresponsibly canceling all bids after bid opening and commencing a re-bidding process. Contractors spend too much time and effort on preparing bids to have them cancelled simply because an agency is trying to "price" a project. This is too important an issue to be addressed through language that does not comprehensively address the complex differences between our contracting processes.

As such, I am vetoing Sections 4, 5, and 6. I urge the Legislature to revisit this issue with input from all stakeholders, cities, counties, and the business community, and to propose cancellation language appropriate for our state's contracting system.

For these reasons, I have vetoed Sections 4, 5 and 6 of House Bill No. 1439.

With the exception of Sections 4, 5 and 6 of House Bill No. 1439 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor